GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1926
ANSWERED ON:09.03.2001
ARREARS PAYABLE TO SUGAR CANE FARMERS
SHIVAJI VITHALRAO KAMBLE

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether certain decisions have been taken with regard to sugar sector in the year 2000;

(b) if so, the details thereof;

(c) whether the concerned authorities have been empowered to recover the money with interest from the sugar mills, if they fail to pay the due amount to sugarcane farmers within 14 days; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a) & (b) : The Government has taken certain decisions in the years 2000 and 2001 withregard to the sugar sector. Some of the important decisions taken are as follows:

(i) The Government has reduced levy obligation on domestic producers from 40% to 30% witheffect from 1.1.2000 and further to 15% with effect from 1.2.2001.

(ii) The Government increased the Customs` duty on import of sugar to 60% w.e.f. 9.2.2000along with continuance of the countervailing duty of Rs.850/- per MT of imported sugar.

(iii) The Government imposed levy obligations on importers of sugar at par with the domestic producers with effect from 17.2.2000.

(iv) Stockholding limit on the recognized dealers was removed w.e.f. 7.7.2000.

(v) Sugar mills have been allowed w.e.f. 25.1.200o to sell up to 10% of their monthly quota of freesale sugar by the 7th of the succeeding month.

(vi) The Income Tax assessee and their family members were excluded from the supply of levy sugar under the PDS w.e.f. 1.7.2000.

(vii) With effect from 1.2.2001, levy sugar supply under the PDS has been restricted only to the Below Poverty Line (BPL) families in all States/UTs except in North Eastern States/hill States/island territories.

(viii) The Government has decided to introduce futures/forward trading in sugar.

(c) & (d) : government has amended the Sugarcane (Control) Order, 1966 on 29.11.2000 enabling the central Government/State Government/officers authorised by the Central/StateGovernments, to recover cane price arrears including interest due on it for delay in payment beyond 14 days of supply of sugarcane @ 15% per annum as arrears of land revenue.